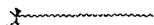


*THE SOURCE OF THE PANIC TRACED BY
FACTS; ITS EVILS, AND REMEDY.*



RAILWAYS
AS THEY REALLY ARE:

OR,

FACTS FOR THE SERIOUS CONSIDERATION

OF

RAILWAY PROPRIETORS.



NO. II.

THE DOVER, OR SOUTH-EASTERN COMPANY.

LONDON:
SHERWOOD, GILBERT, AND PIPER,
PATERNOSTER ROW.

1847.

LIST OF LINES.

- L BRIGHTON; or LONDON BRIGHTON and SOUTH COAST RAILWAY; including the London and Croydon, the Brighton, Lewes and Hastings, the Brighton, Chichester and Portsmouth Lines, &c.
- II. THE DOVER; or SOUTH-EASTERN and DOVER RAILWAY; including the London and Greenwich, North Kent Lines, &c.
- III. THE EASTERN COUNTIES RAILWAY; including the Northern and Eastern, Norfolk, and all other Lines in the Eastern district.
- IV. THE EDINBURGH and GLASGOW RAILWAY, and the Scotch Lines connected with it.
- V. THE GREAT WESTERN RAILWAY; and all other Broad Gauge Lines.
- VI. THE GLASGOW, PAISLEY, and Ayr RAILWAY.
- VII. LANCASHIRE and YORKSHIRE RAILWAY; including the Manchester and Leeds, Manchester, Bolton and Bury, and all other Lines with which it is connected.
- VIII. THE LONDON and NORTH WESTERN RAILWAY; including the Grand Junction, Manchester and Birmingham Lines, &c.
- IX. THE MIDLAND COUNTIES RAILWAY; including the Bristol and Birmingham, Leeds and Bradford Lines, &c.
- X. THE SOUTHAMPTON; or LONDON and SOUTH WESTERN; comprising the Dorchester, the Yeovil, and the Richmond Lines, &c.
- XI. THE YORK, NEWCASTLE, and BERWICK RAILWAY; including the North British, the York and North Midland Lines, &c.
- XII. IRISH LINES, viz., the Great Southern and Western, the Midland Great Western, &c.
- XIII. MISCELLANEOUS LINES.
-

Nos. I. II. and VII. are already published.—No. V. will be ready in a few days.

1847. E
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THE
SOURCE OF THE PANIC TRACED BY FACTS,

WITH

HINTS TO MEMBERS, DEPUTATIONS, DIRECTORS, AND RAIL-
ROAD PROPRIETORS, ON THE MEANS OF IMMEDIATELY
RELIEVING THE PRESENT EMERGENCY.

THE most opulent man, the wealthiest Company, and the richest nation, have all alike limits to their resources, and are similarly subject to certain immutable laws, which, whenever transgressed, bring certain inevitable results. Thus we have experience to prove, that the building of a Fonthill Abbey will reduce a Beckford; that a few unbusiness-like advances can stop a Liverpool Banking Company; and we have but first to look around us, and secondly to examine Railway accounts, to be convinced that an *extravagant* and *useless* expenditure has reduced the wealthiest and most enterprising nation of modern times, to a depth of distress and anguish hitherto unparalleled. The generous, the brave, the patient, the hard-working, and the once-rich England; the frugal, the calculating, and the persevering Scotland; the imaginative and genius-producing Ireland, are alike involved in ruin. The peculiarities and weak points of each country have been considered, and all have been equally cajoled. The loss of a few hundred thousands will reduce the most opulent man, the abstraction of a million or two will expose the tricks of most directors, and the loss of 385,868,142*l.* on the convertible securities of the country, has at length compelled John Bull to look to his real friends, whose advice he has too long despised. The attitude of Great Britain at the

present time is similar to that of a country bumpkin, who has been bamboozled at a village fair out of his last shilling; and the trick which has been played the nation by a set of adventurers, is not less unprincipled, or more clever, than that practised by the man of the pea and thimble, or he of the gaily decorated booth, who politely invites the public to try their luck; each has a few accomplices, each allow their dupe to win a little by way of leading him on, and each has the same disregard for the misery he inflicts. What to such adventurers is a country's ruin, provided they gain? Great Britain is now at that stage which the countryman finds himself when he has lost all his money, and is informed that if he tries his luck again, he will win all back, and that he can stake his watch, his coat, or any other convertible property he may have at hand. So now, certain gentlemen with smart attire step forward and suggest the increase of paper money, and a variety of means by which John can extend his credit, but which, if adopted, must only add to the devoted dupe's losses, for he loses that which can only be regained (if John is honest) by extra labour. The Railway potentates are the knowing gentlemen, the Railway investors and lenders are the noodles, and the Government may be considered the police. If the dupes continue to think that they have been *fairly cheated*, and are content, why then the police cannot interfere; but if they do what John the countryman does, when he finds that it was all trickery, they will commence, first, with a remonstrance, and if that does not answer, then with a good big *stick*, and if that does not bring restoration, why then hand them over to the police, with the request that they will not only strip them of their ill-begotten booty, but also put them in the stocks, as a lasting example to those of swindling propensities. When John Bull really takes things into his own hand, he does it well, and let him look back a little, and see the journals of the House of Commons, and let him there read how he served a certain Mr. Aislahie, a Mr. Cragg, a Mr. Robert Knight, and a host of other speculating gamesters.

The works and efforts of men have ever been limited, and nothing is certain or infinite but that which has been established by the All-wise and Supreme. Wealth of all things is capricious, and a towering and unscrupulous ambition has ever been doomed to have a fall. But a few years since, and this country, in the midst of plenty, boasted

of her wealth and enterprise ; two years have sufficed to bring her into a degree of poverty before unknown. From the time those bulwarks of integrity, that parent stock from whence spring the head that commands, and the heart that leads alike the soldier and the sailor—the country gentleman—and those supporters of our commercial glory and credit—the banker, the merchant, and the tradesman, were led into error by falsified accounts, and wrongly founded data, or were seduced by the hollow promises of the adventurous speculator, the prosperity of the country began to sink.

“Vice is a monster of so frightful mien,
As, to be hated, needs but to be seen ;
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace.”

In the years 1844 and 1845, bribery and deception had worked their way, the haunts of commerce and industry had become the arena of gamblers and scrip-dealers, the voice of the honourable and prudent had been lost mid the noisy din of the gamester.* The Railway party had raised itself by falsehood, has hitherto sustained itself by a constant course of deception, and must soon fall in despair, carrying with it the execration of the just. The country gentleman has long parted with his cash. Already has the perverted merchant given his substance, and daily are the hard earnings of the industrious, hitherto prized equally with honour and life, passing from them to regild the newly-purchased hall of the director, or is being sunk in the erection of mounds and the digging of tunnels, which are but evidences of folly. The convertible wealth of the country has already sunk, under the government of Railway potentates, more than half a million a day for two years. In 1844, Sir Robert Peel told the Railway party their folly and their end ; in return they gave him abuse, sullied his name, and perverted *his plans*. In 1845, the Railway potentates and their followers were allowed to revel in their designs : they told you, Grant us power, and we will give you wealth ! Ye gave them power : remember, in return for your money, they gave you *scrip*. In 1846, *their* king exclaimed, Purchase shares, and pay me calls : you did so, and your tens of thousands have dwindled, your thousands have become

* All must remember the abuse heaped on the *Times* paper for exposing the infamous bubble companies.

hundreds, and your hundreds units; the differences have vanished in adding to the estate of adventurers, or is sunk in the high road to your own ruin. In the late Session, the kind and gentle remonstrances of a Russell were met with a request that you would exert every influence with your respective members to intimidate the Government; that you would, in fact, give power not to the responsible advisers of the established constitutional and hereditary Sovereign of the realm, but that you would insist that a linendraper, an innkeeper, or an unsuccessful merchant who had set themselves up, should have absolute dominion of appropriating your wealth, and infringing the law. We are told, "that for the iniquity of a nation there are many princes." Consider the tribute you have paid, and examine if an ambitious conqueror was ever more exaeting.

Under the shallow pretence of having your wealth increased, money has been paid without limit, to men of whom little is known, for the purpose of being expended on works of which ninety-nine out of a hundred of the proprietors are totally ignorant, and which is accounted for in accounts made up with no other view but that of mystifying the expenditure. Why, there are thousands of advertisements in the *Times* paper every year, offering ten pounds for the loan of twenty for a few weeks, and no doubt the cunning ones find it a profitable game to play; as long as they have dupes they can deceive, and entrap under the guise of an exorbitant profit. But those who are in the pay of the Railway potentates (and they are not few), or are in the hope of still profiting by the ignorant and confiding, will tell you that England is not poor, and that it is only confidence and paper money *ad libitum*, that she wants. As well may they tell you that Mr. Beckford was as rich after he had expended 500,000*l.* on Fonthill Abbey, and the fall of the tower had reduced the immense pile to ruins. In the place of 500,000*l.*, which might at the will of the owner have been converted into land, horses, carriages, or other purchaseable articles, or carried about from place to place, he had a heap of ruins, the refuse timber and stone of which alone could be reconverted into money, and which of course would only fetch in one neighbourhood a price commensurate to the limited demand. So those who have rashly squandered their money on Railway works now find themselves at the mercy of a demand which every day's

experience makes more contracted, and a thorough knowledge of the real state of Railway Companies would wholly destroy. But lest people should say, surely Great Britain is able to bear a greater expenditure than that involved in the carrying out of Railway schemes, we will examine the losses arising either directly or indirectly from that source.

The Shares of the London and North-Western Company sold in 1845, at a price, the excess of which over that of October 1847, amounted to	£ 21,606,235
The Great Western Shares have depreciated.....	7,790,000
The Midland Counties, do.	14,229,739
The York, Newcastle and Berwick, do.	6,582,800
The York and North Midland, do.	4,649,500
The Eastern Counties and the Northern and Eastern do.	4,242,082
The London and South-Western do.	2,628,246
The Lancashire and Yorkshire, do.	7,069,798
The London, Brighton and South Coast do.	3,870,503
The South-Eastern do.	5,912,510
Total depreciation in the ten leading railway companies since 1845, that being the period at which, in the words of the member for Sunderland, they were handed from the speculator to the investor (not including the calls since paid up).....	78,581,413
Many of the new shares of the above companies are now selling for less with 15 <i>l.</i> and 20 <i>l.</i> paid up, than in 1845 with 2 <i>l.</i> paid; the depreciation is	21,373,325
The twenty new guaranteed lines, such as the Oxford, Worcester and Wolverhampton, the Buckinghamshire, the Chester and Holyhead, &c., are selling now with 16,840,604 <i>l.</i> paid up, for less than in 1845 with 2½ paid, the depreciation is equal to	16,840,604
The smaller English and Scottish companies, which number 69, according to this day's share list, have depreciated.....	35,200,300
The 17 Irish lines have depreciated	5,100,000
The losses in England by the depreciation in foreign shares, the companies of which number 40, has been	2,500,000
The honest have lost by the 1,200 abortive schemes in 1844 and 1845	6,300,000
Total loss to the Railway proprietors in two years ..	165,895,642

* The correctness of these sums may be easily tested by referring to the share-lists of 1845, and comparing them with those of the present time.

Brought forward . . .	£165,895,642
Depreciation to our merchants (in consequence of the absorption of money in Railways and the consequent poverty of individuals) on their usual colonial imports	11,000,000
Depreciation in the funds (consequent on people confidently selling to invest in Railroads and the necessities of our merchants) about 16 <i>l.</i> 13 <i>s.</i> 4 <i>d.</i> per cent., or one-sixth	133,315,000
Depreciation in the value of Exchequer Bills, India Stock, Indian Bonds, and all other convertible stock invested in by bankers and merchants	66,657,500
Total depreciation in the usual convertible securities of the country	<u>376,868,142</u>

We have here clearly seen that the country has virtually lost in two years, on a small section of property (for we speak not here of land and house property), to the extent of 376,868,142*l.* It should be observed, that while the funds have depreciated 16*l.* 13*s.* 4*d.* per cent., Railway shares have fallen on the average above cent. per cent. A gentleman investing 10,000*l.* in the funds in 1845, and now selling out, would lose 1,600*l.*; the same sum invested in London and North-Western shares would have depreciated 5,500*l.*, or to give an adequate idea of an indiscriminate investment in shares, an actual instance need be only mentioned—between 8,000*l.* and 9,000*l.* invested in 1845, by one of the merchants who lately failed, was sold by his creditors in the past week for 60*l.** In fact, thousands and thousands who had 10,000*l.* in 1845, are not now worth 1,500*l.* Tens of thousands who in 1845 were worth 100*l.*, 200*l.*, 500*l.*, and 1000*l.*, are not now worth anything, and is not this poverty?

All the misery of the present day was foretold in the year 1845, when one paper boldly pointed out the consequences of the then mad career. Consider who then was the friend, and ask, Can he be less so now? Should the evil from which all the misery has arisen be at once stopped, or should it be fostered and encouraged. Would it be desirable by injurious measures to extend the evil even deeper than at present? Will you allow those mountebanks, who are truckling in turn to each interest, renewing their broken promises, and spreading

* See statement of account submitted to Mr. Morley's creditors.

their false arguments, again to send their agents into every corner of Great Britain, and despoil the old and young of every parish of the few hundreds they or their ancestors have accumulated, under the specious pretence of increasing their incomes? Can that security be good where agents, bankers, brokers, and solicitors, are paid commissions at the rate of a hundred for a thousand for all the money they can obtain, or when bonds are given for thousands, and sold for hundreds? * No; this is merely an extension of that bribery by which the Railway Companies have obtained through the country their accursed influence. If a company wanted land, treble the value was the sum given for it. Did they want agents, the most influential were selected, and enormous was the price paid. When an Act of Parliament was applied for, unheard of were the fees to counsel. Why was all this? Because the whole system was bribery. Shall these things exist? Shall corruption and its companion, poverty, be extended to every country village? The expenditure of 52,000,000*l.* a year on unprofitable works, must inevitably bring England, were she ten times as rich as she is, into difficulties and embarrassment, and the present practices would contaminate any country, were she fifty times as moral as our own. Two courses are now open to the country: if one is selected, the funds will become a guarantee for the Railways; deceit and corruption will again run riot, and a few years reign of a Railway monarch will suffice to entail one universal and irreparable bankruptcy; but if, on the other hand, honour and justice are to prevail, place your trust in those statesmen who, by years of toil and by deeds uninterested, have proved that not their own enrichment, but their country's good, is their sole end, aim, and thought.

Let the balances of deceit no longer exist in the land; reflect on the corrections we are receiving. That hand which deprived us for a season of one small portion of our daily sustenance might have taken all—that *will* which lately strued our South-eastern coast with a flight of harmless insects might have sent the locust or the canker-worm. Drive out, then, that frenzy of avarice which has deranged our under-

* The amount of commission now being given by the leading Companies is incredible—bonds and debentures for thousands have sold in the market at whatever they would fetch; and Companies are by these means borrowing at from 10*l.* to 50*l.* per cent. discount.

standings, and made gold our god; banish those strange and sad hallucinations, those unhallowed impulses, those demons of covetousness, that have for a time led captive the national heart, and destroyed its reason, ere that scourge which is making such rapid strides to our shores, deals its destruction on the people. Let the present calamity be received with thankfulness, and let it restore to us fair and sober dealing. We have but a gentle correction in poverty and panic, let us profit by the warning, and with calm reflection correct the evils we have been led into, and in being a wiser and better nation hope to avert a severer judgment.

OBSERVATIONS ON THE SOUTH-EASTERN RAILWAY COMPANY.

If facts appear startling to those who have not yet held shares, or if the first burst of truth is unpalatable to the confiding and still hopeful shareholder, he must be reminded that all he has as yet heard, and, with one exception, read, emanated from directors, or the pen of the hired and interested. The Government, during the last few years, has done much to arrive at the truth; but as all information had to come through the hands of the directories, we cannot, on consideration, wonder at the deceptions which have been practised even on the representatives of her Majesty. What prudent man could have imagined, that tens of thousands would have handed their money to those of whom they knew nothing, to be scattered as the waters of the ocean, or the dust of the streets?

On turning to the list of directors,* it will be found that the six first alone subscribed their names to the railway contracts of the speculating years of 1844 and 1845, in no less a sum than 4,664,735*l.*, or a sum averaging 778,000*l.* each; and if the share lists of 1845 are consulted, it will be seen that the scrip sold at 9*l.* 10*s.*, with a deposit of 2*l.* 10*s.* We have no evidence of what the Directors sold; and must either congratulate the South-Eastern proprietary on having six directors who, in 1845, were worth 800,000*l.* and 900,000*l.* each, with unbounded confidence in their branches (or, to use Railway phraseology, their calves), or we must feel pity for the shareholders who purchased, and not only lost by so doing in two years rather more than 3,000,000*l.*, but, in addition, find their Company in a position which, if they make inquiry in well-informed circles, is anything but satisfactory. Let us see what some have gained, and what others have lost: The 31,500 shares issued in 1845† (merely taking that one batch) have depreciated from 7*l.* premium, with 2*l.* 10*s.* paid to 9*l.* discount with 15*l.* paid;‡ the allottees, therefore, of these 31,500 shares paid 78,750*l.*, and sold for 299,250*l.*, or at an

* Page 15.

† Page 19.

‡ Page 24.

immediate profit of 220,500*l.*; the purchasers who paid the 299,250*l.* have since had to pay calls amounting to 12*l.* 10*s.* per share, or, in the whole, 393,750*l.*; and that sum, added to the purchase-money, makes a total of 693,000*l.* And now the shares are only worth the allottee's profit, or 220,500*l.* Now, when we find that the *total* depreciation in the South-Eastern shares has in two years amounted to 5,912,510*l.*,* can we wonder at distress and misery, as well as panic and distrust?

On referring to Mr. M'Gregor's evidence before the Committee of the House of Commons, on the 8th July 1846, questions 2561 and 2563, we find† that the original estimate of the line from Croydon to Reigate, and from Reigate to Dover, was 1,850,000*l.* We find, by the return made to the Committee on Railway Acts Enactments, and by question 2574,‡ that the outlay on the same portion, up to July 1846, had been little short of double the estimate, or 3,500,000*l.*; and what the additions have been since it is impossible to say from the accounts submitted to the Proprietors.

When we turn our attention to the powers of raising money, it will be seen that the sum of 8,907,043*l.*§ is the amount granted, from which must be deducted 244,504*l.*, a sum represented, though not received,|| this leaves 8,662,539*l.* The sum authorized by the seven last acts¶ amount to 3,797,900*l.*, to be expended on new extensions, branches, and enlargements. Now, if the last account is referred to, 6,398,216*l.* is the total expenditure, of which only 316,042*l.* has been appropriated to the new works, it would therefore appear that 1,217,525*l.* of the money sanctioned for new works has been expended on the main lines.

If the accounts of the past few years be deeply considered, it will be found that the items of parliamentary expenses, engineering, and surveys, in the last three years alone, have reached the sum of 675,277*l.*; that the total expenditure on land is entered as having been 1,021,800*l.*; that the works, rails, and switches stand in the capital account at 2,931,202*l.*; that the additions to the capital, on account of the items of locomotives and carriages, in the last three years *only*, has been 360,090; in fact, there is not an item in the half-yearly additions to capital but should be deeply considered by the

* Page 24.

§ Page 18.

† Page 33.

|| Page 19.

‡ Page 34.

¶ Page 18.

shareholders, with a view of judging whether there can be any profit derived from the working of the line, and whether, to use the words of the chairman, the "great experiment" has not failed. It will be well for the Proprietors to consider the real object of the Directors in making branches, as well as the reasons for some of the amalgamations and purebases. No reasonable man of business can see the enormous additions to capital which are made every half-year, and the slight progress made in new works, without being convinced, that, instead of profit, there is a loss of some 200,000*l.* a year.

This is written with no ill will to any Company. The writer has lost nothing by Railway speculations; his only object being to stop the ruin of families, and the havoc which is daily made by the bitterness of disappointment and poverty.

THE FOLLOWING ARE THE DIRECTORS, AND THE SUMS FOR WHICH THEY SIGNED AS SUBSCRIBERS, IN 1844 AND 1845 :—

	Total amount subscribed by each in 1844 and 1845.
James MacGregor, Chairman, a subscriber to nine schemes in 1844, and to four in 1845*	£763,095
Henry Lewes Smale, a proctor, 601,760 <i>l.</i> in 1844, and 227,140 <i>l.</i> in 1845.....	828,900
C. W. Tyndale, 587,780 <i>l.</i> in 1844, and 203,135 <i>l.</i> in 1845	790,915
Robert Browne, 577,260 <i>l.</i> in 1844, and 192,375 <i>l.</i> in 1845	769,635
Benjn. Harding, 574,760 <i>l.</i> in 1844, and 191,760 <i>l.</i> in 1845	766,520
W. Henri Thomas, 624,320 <i>l.</i> in 1844, and 121,350 <i>l.</i> in 1845	745,670
Carry forward . .	£4,664,735

* These sums are taken from the returns printed by order of the House of Commons in 1845 and 1846.

Brought forward . . .	£4,664,735
Robert Tassell, 183,270 <i>l.</i> in 1845	183,270
Viscount Torrington, 109,350 <i>l.</i> in 1845	109,350
John Blagdon, 40,000 <i>l.</i> in 1844, and 25,170 <i>l.</i> in 1845 ..	65,170
W. Fielden, 17,500 <i>l.</i> in 1844, and 11,905 <i>l.</i> in 1845	29,405
M. L. Pritchard, 2,500 <i>l.</i> in 1844, and 21,100 <i>l.</i> in 1845..	23,600
Alexander Randall, 5,000 <i>l.</i> in 1845.....	5,000
	<hr/> £5,080,530

If the shares averaged 20*l.* each, the scrip allotted to these Directors would have numbered 254,026, and if sold at 7*l.* premium (the price in 1845), the net profit would have amounted to 1,878,132*l.*, and the clear loss to the purchasers (including the sums since paid up and taking the present price) would have been 3,048,312*l.*

THE PURCHASES AND ENGAGEMENTS OF THE SOUTH-EASTERN COMPANY.

The South Eastern Railway Company has not subscribed towards the capital of any other Company; but has contracted the following engagements:—

1. In 1839, the Company purchased one moiety of that part of the London and Brighton Railway, which lies between Croydon and Redhill, with the right to pass over the other moiety without payment of toll, for 340,000*l.*

2. Under an Act passed 27th June 1843, the Company purchased the Folkstone harbour for 18,000*l.*

3. Under an Act passed 4th July 1843, the Company purchased the share of the Bricklayers' Arms branch and station, possessed by the London and Croydon Company, for 82,877*l.*, and so became the sole proprietor of that branch and station.

4. Under an Act passed 10th February 1844, the Company took a lease for fourteen years of the Canterbury and Whitstable Railway, at a rent of 1,200*l.* for the first year, to be increased by 300*l.* per annum, until it amounts to 3,000*l.*, which is to continue the rent to the end of the term.

5. Under an Act passed 10th September 1844, they have taken a lease of the London and Greenwich Railway for 999 years, at a rent of 36,000*l.* for the first year, to be increased by 1,000*l.* per annum until it amounts to 45,000*l.* per annum.

6. Under an Act passed 16th May 1846, they have purchased the Gravesend and Rochester Canal and Railway, for 310,000*l.*

7. Under an Act passed 16th July 1846, they have agreed

to take a lease of the Reading, Guilford and Reigate Railway in perpetuity, at a rent amounting to $4\frac{1}{2}$ per cent. on the cost of the line, assumed at 600,000*l.*, with an equal division of profits, and which has since been commuted for $5\frac{1}{2}$ per cent., without such division.

8. And under an Act passed 10th August 1846, they contributed 101,662*l.* to the construction of the joint station at London Bridge.

The South-Eastern Railway Company have two London stations,—one at London Bridge, constructed at the joint expense of the South-Eastern, Brighton, and Croydon Companies;* and the other at the Bricklayers' Arms; and, as lessee of the Greenwich line, 3 miles and 6 furlongs, they receive toll from the Brighton Company for the use of the $1\frac{3}{4}$ mile, which is jointly used; they are entire owners of the Bricklayers' Arms branch, $1\frac{1}{2}$ mile; they pay toll for the use of the old Croydon line, about $8\frac{1}{2}$ miles (now amalgamated with the Brighton Company); they are joint-owners of the Railway ($10\frac{1}{2}$ miles) between Croydon and Redhill; they are entire owners of the 67 miles between Reigate and Dover; of the 5-miles branch to Tonbridge Wells; of the 10-miles branch to Maidstone; of the $29\frac{1}{4}$ miles between Ashford and Ramsgate; of the $8\frac{1}{2}$ -miles branch to Deal; of the $3\frac{1}{2}$ -miles branch to Ramsgate and Margate; they are lessees of the 6 miles and 4 furlongs between Canterbury and Whitstable, and of the 7 miles between Gravesend and Rochester. These lines are all opened, and the receipts therefore are for traffic running over 162 miles.

They have in progress of construction a line from Greenwich to Gravesend, 22 miles 1 furlong; a line from Tonbridge Wells to Hastings, 29 miles 6 furlongs; a branch to Rye, 5 miles 6 furlongs; a branch to Rye Harbour, 1 mile 6 furlongs; and a line from Ashford to Hastings, 29 miles 7 furlongs. They have also in progress of construction, the Reading, Guilford and Reigate line, which is leased, and is 46 miles 4 furlongs; and during the last Session, a junction between the Greenwich line and the Bricklayers' Arms branch was granted, being three-quarters of a mile in length. The lines sanctioned, therefore, extend to 134 miles.

* Appendix to Report from Select Committee on Railway Acts Enactments, p. 491.

**THE POWERS GRANTED BY PARLIAMENT, THE SHARES AND
LOANS, AND THE BILLS PROMOTED.**

By twenty-two Acts of Parliament, the first of which passed in 1836, the Company has received power to raise a capital of 6,620,033*l.*, and to borrow 2,287,010*l.*, or to expend, in the whole, 8,907,043*l.*; that is:—

	Capital.	Loans.	Total.
	<i>£</i>	<i>£</i>	<i>£</i>
By Original Act of Incorporation, 6 Wm. 4, c. 75, 1836	1,400,000	450,000	1,850,000
„ Act for Additional Capital, 5 Vict. c. 3, 1842	800,000	266,600	1,066,600
„ London Bridge Station Act, 3 & 4 Vict. c. 129—1840	90,000	30,000	120,000
„ Dover Extension and Terminus Act, 6 and 7 Vict. c. 51—1843	200,000	66,600	266,600
„ Maidstone Branch Act, 6 and 7 Vict. c. 52—1843	112,000	37,300	149,300
„ Bricklayers' Arms Branch and Station Act, 6 and 7 Vict. c. 62—1843	133,333	44,444	177,777
„ Canterbury, Ramsgate, and Margate Branch Act, 7 Vict. c. 75—1841....	400,000	133,000	533,000
„ Folkstone Branch and Harbour, 7 Vict. c. 69—1844	200,000	66,000	266,000
„ Tonbridge Wells Branch Act, 8 and 9 Vict. c. 167—1845	180,000	60,000	240,000
„ Widening Greenwich Railway Act, 8 and 9 Vict. c. 186—1845	142,700	47,566	190,266
„ Minster and Deal Branch Act, 8 and 9 Vict. 197—1845	187,000	62,300	249,300
„ Ashford and Hastings Act granted to the Brighton, Lewes, and Hastings Railway Company. Powers to execute transferred to South-Eastern Company. 8 and 9 Vict. c. 200—1845	410,000	136,000	546,000
„ Tonbridge Wells and Hastings Branch Act, 9 Vict. c. 64—1846	640,000	213,300	853,300
„ Rye and Rye Harbour Branch Act, 9 Vict. c. 55—1846	20,000	6,600	26,600
„ Ashford Station Enlargement Act, 9 Vict. c. 96—1846	500,000	266,000	766,000
„ The Greenwich Railway Extension Act to Woolwich and Gravesend, 9 and 10 Vict. c. 305—1846.....	1,000,000	333,000	1,333,000
„ Widening Greenwich Railway, and enlarging London Station Act, 10 and 11 Vict.—1847	150,000	50,000	200,000
„ Act for connecting the Greenwich Line with the Bricklayers' Arms Branch, 10 and 11 Vict.—1847	55,000	18,300	73,300
Total.....	6,620,033	2,287,010	8,907,043

By these Acts the Company is empowered to convert the greater part of the loans at maturity into capital, and thereby finally to create a capital stock of 8,633,743*l*.

The capital has been created by 252,500 whole shares, varying in value from 25*l*. to 50*l*., and amounting, if fully paid up, to 8,191,000*l*.; but if 95,000 shares, of 30*l*. each, were divided into thirds, the number of transferable shares would amount to 442,500*l*. On these shares, 5,400,900*l*. has been paid, and 2,545,595*l*. remains to be received. When fully paid up, the Company will have received from them 7,946,495*l*., or 244,504*l*. less than the capital they represent, a loss to that extent having been sustained on the shares first issued, in consequence of the forfeitures which, when sold, in many instances, did not realize the amounts due upon them.*

The shares stand thus :—

	Amount received.	Remaining to be received.	Total Capital represented.
Issued in 1836, 28,000 original shares called 50 <i>l</i> . each, but averaging 41 <i>l</i> . 5 <i>s</i> . 4 <i>d</i> .	1,155,495	1,400,000
„ 1842, 28,000 shares of £25 0 0 each	700,000	700,000
„ 1844, 28,000 „ 32 0 0 „	562,400	333,600	896,000
„ 1844, 42,000 „ 33 6 8 „	715,522	684,478	1,400,000
„ 1845, 31,500 „ 30 0 0 „	473,805	471,195	945,100
„ 1845, 285,000 3d sha. of 10 0 0 „	1,793,678	1,056,322	2,850,000
442,500	5,400,900	2,545,595	8,191,000

If the 285,000 third shares were, for the sake of illustration, considered whole shares, and third the number, that is 95,000, the average sum to be received on all the shares of the Company, would be, on the average, 31*l*. 9*s*. 5*d*., or a sum equal to 7,946,495*l*.†

No nominal addition has been made to the capital of the Company as compensation or bonus, or under any other denomination; but the holders of shares of less value than 50*l*. receive equal dividends per share with the holders of 50*l*. shares, which arrangement appears to have been made under the authority of 5 Vict. c. 3. s. 5.‡ The effect of the various issues has been, that a proprietor who holds all the shares to which he has successively become entitled, holds the entirety

* Report of the Commissioners of Railways, 161.

† Ibid.

‡ Explanation given to the Commissioners of Railways, and printed in Report of Commissioners, 164. Appendix 4.

at the average of 31*l.* 9*s.* 5*d.* per share, and that will be the actual cost of each share.

The borrowing transactions have amounted to 2,053,777*l.*; 1,388,444*l.* has been obtained on mortgage; and 665,333*l.* on loan notes, by sums varying from 500*l.* to 1,000*l.*, and at rates of interest varying from 3½ to 5 per cent.* There was no special provision in the Acts of the Company to authorize the issue of loan notes; but those which have been issued, are legalized by the 7 and 8 Vict. c. 85, by which Act the future issue of such securities has been entirely prohibited.

Loans to the amount of 555,650*l.* have been paid off, and converted into capital by the issue of shares, and the remainder is to be paid off between July 1847 and January 1853, as the periods of the several securities expire by calls on the shares not paid up. These securities amount to 1,537,727*l.*, being 1,007,868*l.* less than the amount remaining unpaid on the shares created; and as a power remains under the present Acts to issue additional shares to the amount of 647,743*l.*, it appears that 1,655,611*l.* is at present available to the South-Eastern Railway Company, and will, the Directors state, be actually required for the works in progress.†

The following bills have been read a third time in the House of Lords, and may be proceeded with in the Session of 1848 as privileged bills, and passed without opposition:—

1st. A bill for the North Kent line; that is, to enable the South-Eastern Railway Company to make a railway from the South-Eastern, Gravesend and Rochester Railway at Strood, to join the South-Eastern, Canterbury, Ramsgate, and Margate Railway, at Chilham, in the county of Kent, with branches to Sheerness and Faversham Creek, and to raise 724,500*l.* by shares, and 241,500*l.* by loan.

2nd. A bill for the Mid Kent and Direct Tonbridge line; that is, to enable the South-Eastern Railway Company to make a railway from the North Kent line of the South Eastern Railway at Lewisham to Tonbridge, with branches to Dartford, Maidstone, and Paddock Wood, and to raise 1,130,000*l.* by capital, and 376,000*l.* by loan.

3rd. A bill for the Maidstone and Chart line; that is, to enable the South-Eastern Railway Company to make a rail-

* Report of the Commissioners of Railways, 164.

† Ibid.

way from the South-Eastern railway at Maidstone to the same railway at Great Chart near Ashford, in the county of Kent, and to raise 311,250*l.* by shares, and 103,750*l.* by loans.

If these bills are proceeded with, the authorized expenditure of the South-Eastern Company will be extended to	£11,078,000
The cost of the Canterbury and Whitstable Railway has been*	95,000
The authorized expenditure on the London and Greenwich is.....	1,225,571
The cost of the Gravesend and Rochester has been* ..	382,937
The authorized expenditure on the Reading, Guilford, and Reigate Railway is	1,066,666
Total.....	<u>£13,848,174</u>

The following sums were expended to July 1847 :—

On the South-Eastern Line and Branches..	6,398,218
„ Canterbury and Whitstable Line ..	95,000
„ London and Greenwich	1,019,600
„ Gravesend and Rochester	382,937
„ Reading, Guilford, and Reigate.....	39,121
Sum at present partaking of interest or dividend	<u>7,934,876</u>
Sum yet to be raised if the above bills are sanctioned..	<u>£5,913,298</u>

* These are the sums expended only, the proper returns not having been made to Select Committee on Railways Acts Enactments, which sat in March 1846.

The following are the Revenue Receipts and Expenditure for the first Three Years after being opened.

The South-Eastern Revenue Receipts and Expenditure for the ten months ending the 31st March 1843, being the period at which the accounts closed:—

Receipts from passengers, 46,442 <i>l</i> ; from cattle and goods, 1,244 <i>l</i> . Total [*]	£47,684
Working expenses†	£27,721
Maintenance of way [‡]	3,506
Taxes, 942 <i>l</i> . [‡] Duty, 1,274 <i>l</i>	2,216
Toll paid to Croydon and Greenwich Companies 	4,536
Interest on Loans, 934,500 <i>l</i> . at 5 per cent.¶	46,130
	£84,109

Expenditure exceeded receipts by..... 36,423

£84,109

The South-Eastern Revenue Receipts and Expenditure for twelve months, ending the 31st March 1844, the period at which the accounts closed:—

Receipts from passengers, 129,260 <i>l</i> .; from cattle and goods, 14,800 <i>l</i> . [*]	£144,140
Working expenses†	£66,327
Maintenance of way [‡]	8,642
Taxes, 34,411 <i>l</i> . [‡] Duty, 5,710 <i>l</i> . [§]	10,051
Toll paid to Croydon and Greenwich Companies 	13,436
Interest on Loans, 1,114,200 <i>l</i> . at 5, and 37,300 <i>l</i> . at 4½ per cent.¶	57,388
	£155,844

Expenditure exceeds receipts by^{**} 11,704

£155,844

* Return made to Select Committee on Railway Acts Enactments, and published in Appendix. 496.

† Ibid. 495. ‡ Ibid. 497. § Ibid. 589. || See Accounts.

¶ Return made to Select Committee on Railway Acts Enactments, and published in Appendix. 491.

** Lord G. Somerset.—Can you at all state how many years your shareholders were without getting any interest for their money? E. Cardwell, Esq., Director.—I think the South-Eastern Company has been in existence eight years, and we have never paid any dividend; we never divided a farthing among the proprietors.—See Evidence given before the Select Committee on Railways. March 20, 1844, question and answer, 4727. It should be regretted that Mr. Cardwell is no longer one of the Directors: he subscribed 2,500*l*. to a scheme connected with the South-Eastern in 1814; and, like an honourable man, did not subscribe to anything in 1845; in fact, like Lord Torrington, he retired as soon as he knew what railways were.

The South-Eastern Revenue Receipts and Expenditure for
ten months, ending the 31st January 1845 :—

Receipts from passengers, 167,701 <i>l.</i> ; from cattle and goods, 23,000 <i>l.</i>	Total*.....	£190,700
Working expenses†	79,806	
Maintenance of way‡	8,764	
Taxes, 6,230 <i>l.</i> ‡ Duty, 8,971 <i>l.</i> §	Total	15,201
Interest on Loans 	83,483	
Toll payable to Croydon Company 16,944 <i>l.</i> } Ditto Greenwich, do. 2,180 <i>l.</i> }	19,124
	£206,378	
Expenditure exceeds receipts by		15,677
		£206,378

From this year the London and Greenwich and the Canterbury and Whitstable receipts are thrown together, and the detailed Revenue Receipts appear hereafter at page 28. The Gravesend and Rochester are also added, after August 1846, see page 31.

The prices at which the Shares have sold :—

1839, Jan. 9 <i>l.</i> paid,	price 3 <i>l.</i> or 6 <i>l.</i>	discount.
July, 12 <i>l.</i> „	1 <i>l.</i> „ 11 <i>l.</i>	„
1840, Jan. 15 <i>l.</i> „	15 <i>s.</i> „ 14 <i>l.</i> 10 <i>s.</i>	„
July, 23 <i>l.</i> „	9 <i>l.</i> „ 14 <i>l.</i>	„
1841, Jan. 28 <i>l.</i> „	12 <i>l.</i> „ 16 <i>l.</i>	„
July, 33 <i>l.</i> „	15 <i>l.</i> „ 18 <i>l.</i>	„
1842, Jan. 43 <i>l.</i> „	23 <i>l.</i> „ 20 <i>l.</i>	„
July, 50 <i>l.</i> „	23 <i>l.</i> „ 27 <i>l.</i>	„
1843, Jan. 50 <i>l.</i> „	23 <i>l.</i> „ 27 <i>l.</i>	„
July, 50 <i>l.</i> „	24 <i>l.</i> „ 26 <i>l.</i>	„
1844, Jan. 50 <i>l.</i> „	37 <i>l.</i> „ 13 <i>l.</i>	„
July, 33½ <i>l.</i> „	35 <i>l.</i> „ 1½ <i>l.</i>	premium.
1845, Jan. 33½ <i>l.</i> „	43½ <i>l.</i> „ 10 <i>l.</i>	„
July, 33½ <i>l.</i> „	48 <i>l.</i> „ 14½ <i>l.</i>	„
1846, Jan. 33½ <i>l.</i> „	40 <i>l.</i> „ 6½ <i>l.</i>	„
July, 33½ <i>l.</i> „	41 <i>l.</i> „ 7½ <i>l.</i>	„
1847, Jan. 33½ <i>l.</i> „	40 <i>l.</i> „ 6½ <i>l.</i>	„
April 33 <i>l.</i> 9 <i>s.</i> 5 <i>d.</i> , paid	35½ <i>l.</i> or 2 <i>l.</i>	„
July, 33 <i>l.</i> 9 <i>s.</i> 5 <i>d.</i> „	37 <i>l.</i> „ 3½ <i>l.</i>	„
Oct. 33 <i>l.</i> 9 <i>s.</i> 5 <i>d.</i> „	23 <i>l.</i> „ 10½ <i>l.</i>	discount.

* Return made to Select Committee on Railway Acts Enactments, and published in Appendix to Report and Evidence, 496.

† Ibid. 495. ‡ Ibid. 497. § Ibid. 589. || Ibid. 494. ¶ See Accounts.

The 56,000 shares, on which 33 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> had been paid, sold in July 1845, for 48 <i>l.</i> , and in October 1847 at 23 <i>l.</i> each. The depreciation, therefore, is 25 <i>l.</i> a share, or.....	£1,400,000
The 28,000 shares issued as 32 <i>l.</i> shares, have depreciated since July 1845, from 19 <i>l.</i> with 8 <i>l.</i> paid, to 14 <i>l.</i> with 20 <i>l.</i> paid. The difference is 17 <i>l.</i> a share, or	476,000
The 42,000 shares issued as 33 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> shares have depreciated from 17 <i>l.</i> with 7 <i>l.</i> paid in July 1845, to 10 <i>l.</i> with 17 <i>l.</i> paid. The difference is 17 <i>l.</i> a share, or	714,000
The 31,500 shares issued as 30 <i>l.</i> shares, have depreciated from 9½ <i>l.</i> with 2½ <i>l.</i> paid, to 17 <i>l.</i> with 15 <i>l.</i> paid. The difference is 15 <i>l.</i> a share, or	472,510
The 285,000 shares have depreciated from 9½ <i>l.</i> with 2½ <i>l.</i> paid to 3½ <i>l.</i> to 6½ <i>l.</i> paid. The difference is 10 <i>l.</i> a share, or	2,850,000
The total depreciation amounts, in two years (leaving out the additional payments) to	£5,912,510

Shares, on which 3,025,250*l.* had been paid in 1845, sold at 6,894,500*l.* The same shares, with 5,311,750*l.* paid, are selling in 1847 at 3,246,753*l.*

If 3,205,250*l.* sold at 6,894,500*l.*, 5,311,750*l.* should sell at 11,323,500*l.*, instead of which the value is 3,246,750*l.* The depreciation, therefore, if the additional payments are included, amounts to 8,076,752*l.* These are the depreciations which have taken place in the last two years; and, in considering these depreciations, we should not lose sight of the extraordinary way in which the capital was raised previously to 1845. The following were the discounts at which the capital has been raised, and, if considered, must at once open the eyes of the wise to the real position of the Company.

28,000 shares, 50 <i>l.</i> each,	1,400,000 <i>l.</i>	less discounts	£234,464
28,000 " 50 <i>l.</i> "	1,400,000 <i>l.</i>	do.	700,000
28,000 " 50 <i>l.</i> "	1,400,000 <i>l.</i>	do.	504,000
42,000 " 50 <i>l.</i> "	2,100,000 <i>l.</i>	do.	700,000
31,000 " 50 <i>l.</i> "	1,575,000 <i>l.</i>	do.	630,000
	<u>£7,875,000</u>		<u>£2,768,464</u>
Less discounts	2,768,464		
	<u>£5,106,536</u>		

The following are the remarks of the Commissioners of Railways on the subject:—

“One of the pecuniary transactions of the South-Eastern Company requires particular notice, being the reason for the 50*l.* shares being reduced; namely, the issue, on various occasions, to the proprietors, shares which were of a lower pecuniary amount than their original shares, but which were, nevertheless, entitled to equal dividends. It appears that the Company having, in the year 1836, raised their original capital by means of 28,000 shares of 50*l.* each, found themselves, in 1842, under the necessity of raising further capital; and their original shares being at that time at a considerable discount, it was impracticable to raise additional shares on the same terms, and the Company accordingly obtained an Act authorizing them to issue new shares, at such a price, and with such advantages over the other shares, as the Company, with the consent of three-fifths of the proprietors present at a general meeting, might think fit. The result was that the Company issued 28,000 new shares of 25*l.* each, entitled to the same dividends as the original shares of 50*l.*; one such 25*l.* share being allotted to each holder of a 50*l.* share. There appears to be no injustice in this arrangement, inasmuch as any additional advantage conferred on the 25*l.* share was at the expense of the 50*l.* share, which was the property of the same person. A similar system was pursued under subsequent Acts, by the creation, at different times, of new shares of 32*l.*, 33*l.* 6*s.* 8*d.* and 30*l.*, with similar privileges. The interests of the public appear to have been not materially affected by these transactions, provided that in any future calculation of profits, with a view either to a revision of fares, or to the sale of the Railway, under the provisions of 7 & 8 Vic. c. 85, the different shares are reckoned at the amounts at which they are respectively issued, and not as 50*l.* shares, as they have sometimes been erroneously termed in Share Lists.”

The effect of the various issues has been, that a proprietor who has held all the shares to which he successively became entitled (if there be such a person), now holds the entirety at an average price of 31*l.* 9*s.* 5*d.* per share; and that is the actual cost of each share, and will be the basis on which the calculation for the purposes of revision, after 10*l.* per cent per annum shall have been paid, will be founded. The object of the Liverpool gentlemen (who are extremely learned in Railway matters), in purchasing up these shares, must have been the hope of adding the fictitious depreciation on the second and subsequent issues.

THE CANTERBURY AND WHITSTABLE RAILWAY.

THIS line requires but little notice, having been constructed as a mineral line, or, more properly, for the purpose of supplying Canterbury with coal. It is six miles in length, and was completed in 1830, at an expense of 95,000*l.* The receipts have averaged about 3300*l.* a year.* The line is leased from January 1844 for fourteen years, at 1200*l.* for the first year, 1400*l.* for the second year, 1600*l.* for the third year, 1900*l.* for the fourth year, 2200*l.* for the fifth year, 2500*l.* for the sixth year, 2800*l.* for the seventh year, and 3000*l.* for the remaining seven years. The South-Eastern Company have the option of purchasing the line at the end of the term, at 105,000*l.* The shares were never quoted.

LONDON AND GREENWICH RAILWAY.

THE bill sanctioning this Railway was passed in May 1833, and the whole line was opened in Dec. 1836. The length is $3\frac{1}{2}$ miles, and the cost per mile has reached 266,322*l.*, and the total sum expended, including the interest paid on bonds and preferential shares, amounts to 1,019,600*l.** Of this sum, 760,000*l.* has been raised by shares, and 259,600*l.* by loan. The line, as regards investment, has been a complete failure, as the prices of the shares will show. The rent now paid by the South-Eastern Company is at the rate of about $3\frac{1}{2}$ per cent. on the outlay, being 36,000*l.* for the first year, and an increase of 1,000*l.* per annum, until it reaches 45,000*l.*, at which sum it continues to the end of the term. The rent is to be applied, 1st,—To the payment of the interest on the debt, which requires 11,650*l.*; 2ndly,—To the payment of the dividends, at the rate of 5 per cent. on the preferential shares, which will require 11,136*l.*; and the balance remains applicable to the dividends of the original shares, being at the rate of 1*l.* 10*s.* per cent. per annum.

* Appendix to the Report of the Select Committee on Railways (printed in 1844), p. 4.

† Ibid. p. 14.

At the last half-yearly meeting previous to the lease taking effect, the revenue receipts amounted to	£27,661
The working expenses to	£15,651
The interest on loans and preferential shares to...	11,793
	<hr/> 27,390
Leaving for dividend	£271

The following are the prices at which the Shares have sold:

1839. Jan. 20 <i>l.</i> paid,	price	17 <i>l.</i> or 3 <i>l.</i>	discount.
July, 20 <i>l.</i> "	"	17 <i>l.</i> " 3 <i>l.</i>	"
1840, Jan. 20 <i>l.</i> "	"	13 <i>l.</i> " 7 <i>l.</i>	"
July, 20 <i>l.</i> "	"	9 <i>l.</i> " 11 <i>l.</i>	"
1841, Jan. 20 <i>l.</i> "	"	8 <i>l.</i> " 12 <i>l.</i>	"
July, 20 <i>l.</i> "	"	" " "	"
1842, Jan. 20 <i>l.</i> "	"	7 <i>l.</i> " 13 <i>l.</i>	"
July, 12 $\frac{3}{4}$ <i>l.</i> "	"	6 <i>l.</i> " 6 $\frac{3}{4}$ <i>l.</i>	"
1843, July, 12 $\frac{3}{4}$ <i>l.</i> "	"	4 $\frac{3}{4}$ <i>l.</i> " 8 <i>l.</i>	"
1844, July, 12 $\frac{3}{4}$ <i>l.</i> "	"	6 $\frac{3}{4}$ <i>l.</i> " 6 <i>l.</i>	"
1845, July, 12 $\frac{3}{4}$ <i>l.</i> "	"	11 <i>l.</i> " 1 $\frac{3}{4}$ <i>l.</i>	"
1846, July, 12 $\frac{3}{4}$ <i>l.</i> "	"	10 <i>l.</i> " 2 $\frac{3}{4}$ <i>l.</i>	"
1847, July, 12 $\frac{3}{4}$ <i>l.</i> "	"	8 <i>l.</i> " 4 $\frac{3}{4}$ <i>l.</i>	"

The shares have reached in price 27*l.* 10*s.* each, and have fallen to 3*l.* 17*s.* 6*d.*

THE GRAVESEND AND ROCHESTER RAILWAY.

THIS line was formerly a canal, and the total outlay has been 382,937*l.*, the sum given for it by the South-Eastern Company amounted to 310,000*l.*

The line commences at Milton near Gravesend, and terminates near Rochester, is seven miles in length, and was opened throughout in February 1845, having been constructed by the Canal Company. The expense of working has always exceeded the receipts.

THE READING, GUILFORD, AND REIGATE RAILWAY.

THE Railway bearing this name is to be forty-six miles; to commence at Reading, and pass through Guilford to Reigate. The capital authorized amounts to 800,000*l.*, and the loan to 266,666*l.*, being a total of 1,066,666*l.*: 157,766*l.* has been paid up, and 39,121*l.* expended.

The revenue receipts and expenditure of the South-Eastern Company, for the half-year ending 31st July 1845 :—

Total revenue receipts, including rent and fees	£160,402
Working expenses, and maintenance of way	£53,561
Rates and Taxes, 5,994 <i>l.</i> Duty, 3,904 <i>l.</i>	9,898
Rent duty, and Taxes of Greenwich Line, 18,512 <i>l.</i> —3,300 <i>l.</i> —5,170 <i>l.</i>	26,982
Toll to Croydon Company	7,339
Rent for Canterbury and Whitstable Line	1,150
Half-year's interest on 1,728,677 <i>l.</i>	41,217
	<hr/>
Balance	£20,255

About sufficient to pay 15*s.* per cent., or at the rate of 30*s.* per cent. per annum; and, notwithstanding the smallness of that sum, the following items were added to the capital during the half-year :—

Parliamentary expenses	£41 147
Engineering	2,797
Surveying and Valuation	12,681
Land and Compensation	94,474
Works	128,304
Rail, Sleepers, &c.	39,990
Ballast, and maintenance of way	1,084
Architectural superintendence	1,638
Direction	349
Secretary's salary, office, and incidental expenses	1,678
Advertisements	1,645
Stamps on loans	50
Solicitor for general business	157
Pavillion hotel	4,958
Bricklayers' Arms Branch	102,877
Joint Station, London Bridge	2,578
Joint Locomotive Stock	55,016
Interest account	37,286
Surreys	998
Engines, Carriages, and Waggon's	11,170
Electric Telegraph	2,725
Engines, Stores, &c. for Greenwich Railway	23,058
	<hr/>
Total addition to capital in the half-year	£566,669
Total expenditure up to previous half-year	3,739,809
	<hr/>
	£4,306,478

There can be little doubt but that there is a large addition to the above capital which should have been charged against the revenue; and had it been so charged, there would have been no sum left for dividends.

Revenue Receipts and Expenditure, and the Expenditure on the capital account, during the six months ending 31st January 1846 :—

Total revenue receipts on main line, branches, rent, and tolls	£174,490
Maintenance of way and working expenses	£54,058
Rent to Greenwich company and compensation..	18,512
Rates and taxes, 7,682 <i>l</i> Duty, 6,631 <i>l</i>	14,313
Toll to Croydon Company	9,997
Interest on loans	43,450
	<hr/>
	140,320
Balance to pay dividend on 3,300,000 <i>l</i>	£34,170

Sufficient to pay 1½ per cent., or at the rate of 2½ per cent. per annum; the following additions were, however, made to the capital, even to make this dividend :—

Expended on main line	£12,417
" on Maidstone branch	31,356
" Canterbury ditto	157,286
" Tonbridge Wells ditto	52,969
" Minster and Deal ditto	13,775
" Bricklayers' Arms ditto	2,043
" Greenwich branch	18,825
" Whitstable ditto	601
" Folkstone Harbour	3,578
" Parliamentary expenses	56,126
" Electric Telegraph	17,820
" New engines, carriages, and trucks	87,527
" Joint station	500
" Office and incidental expenses	1,496
	<hr/>
Expended in half year	£456,324
Expenditure to 31st July 1845	4,286,924
	<hr/>
	£4,741,248
Balance in hand	380,716
	<hr/>
	£5,121,964

N.B.—All the above sums are taken from the Company's Accounts, and can be tested by reference.

Revenue Receipts and Expenditure, and the Additions to
Capital Account during the half-year ending the 31st July
1846.

Total revenue receipts, including branches, rent, and tolls	£193,058
Working expenses, and maintenance of way	£62,726
Rent for Greenwich and Whitstable lines	19,912
Toll to Croydon Company	8,222
Rates and Taxes, 9,412 <i>l.</i> Duty, 6,333 <i>l.</i>	15,745
Half-year's interest on loans being 1,193,200 <i>l.</i> } on main line, and 406,077 <i>l.</i> on branches.... }	39,981
	<hr/> 146,586
Balance	£47,472

Notwithstanding the small sum left for dividend, the accounts are made up in a manner that it is impossible to test their correctness; the form being wholly different from any before adopted. The addition to the capital, however, during the half-year, is 519,567*l.*; and the following are the items:—

Main line and Bricklayers' Arms Extension	£3,300,433
Joint station	101,651
Folkstone harbour	142,850
Locomotive department	433,852
Maidstone branch	183,927
Canterbury and Whitstable branch	514,676
Ashford station and Hastings branch	59,702
Minster and Deal branch	60,819
North Kent projected lines	206,560
Greenwich branch	45,124
Tonbridge Wells and Hastings	211,216
	<hr/> £5,260,815

N.B.—All the above sums are taken from the Company's Accounts, and can be tested by reference.

Revenue Receipts and Expenditure, and the additions to Capital account during the half-year ending the 31st January 1847 :—

Total Revenue receipts, including rent and tolls	£236,404
Working expenses, and maintenance of way ..	£61,197
Rent to Greenwich and Whitstable branches ..	19,878
Toll for use of old Croydon line	13,021
Rates and Taxes, 9,607 <i>l.</i> Duty, 8,418 <i>l.</i>	18,025
Half-year's interest on Loan	38,898
	<hr/> 150,999
	<hr/> £85,405

The following additions were made to the Capital during the half-year, amounting to 627,595*l.* :—

Parliamentary expenses	£29,630
Engineering	13,110
Surveys and valuations	7,982
Land and compensation	106,817
Works	107,861
Rails	794
Ironwork, chairs, &c	3,933
Maintenance of way	7,261
Advertisements	399
Coke	157
Pavillion hotel	2,417
Locomotive engines and carriages	25,113
Stations	16,983
General disbursements, and incidental expenses	6,098
Electric Telegraph	2,767
Gravesend and Rochester Railway and Canal purchase ..	279,000
Folkstone harbour	155
Dover works	11,142
Whitstable Railway	6,967
	<hr/> £627,595
Expenditure to 31st July, 1846	5,260,815
	<hr/> £5,888,410

N.B.—All the above sums are taken from the Company's Accounts, and can be tested by reference.

Revenue Receipts and Expenditure, and the additions to the Capital account during the half-year ending 31st July 1847:—

Total revenue receipts	£217,874	
Working expenses, maintenance of way, rent, toll, and duty	109,779	
Interest on loans	38,898	
	<hr/>	
		148,677
		<hr/>
		£69,197

The following additions were added to the Capital, amounting to 509,806l.:—

Parliamentary expenses	£78,626
Engineering	14,931
Surveys	397
Land	111,671
Works	174,182
Fencing	185
Rails	13,321
Advertisements	2,820
Coke	4,048
Locomotives	29,727
Stations	17,346
General disbursements, including office expenses	3,685
Electric telegraph	4,336
Harbour works	9,021
Dover works	4,382
Goods department	2,049
Interest	38,981
	<hr/>
Expenditure in the half-year ending July 31, 1847.....	509,806
Expenditure to January 31, 1847	5,888,410
	<hr/>
	£6,398,216

N.B.—All the above sums are taken from the Company's Accounts, and can be tested by reference.

*The First Portion of the Examination of JAMES MACGREGOR
the Chairman, before the Committee of the Select Com-
mittee on Railway Acts Enactments, 8th July 1846.*

Question 2558. (Mr. Morrison.) You are the Chairman of the South-Eastern Railway Company?—I am.

2559. What is the length of your main line?—To answer that question in an intelligible form it will require to divide it into pieces. We begin at the London Bridge terminus, and the Bricklayers' Arms terminus; we join the Croydon Railway, over which we travel eight miles, over six of the Brighton Railway, and then over six of our own to Reigate.

2560. What was the length of the line constructed under your first Act of Parliament?—From the junction of the Croydon Railway, there are twelve miles to Reigate; those twelve miles were constructed by the Brighton Company, upon an agreement that six of them should be paid for by the South-Eastern and six by the Brighton Company; and the Act authorized the making a Railway from Reigate to Dover by the South-Eastern Company sixty-seven miles.

2561. Both were included in the first act?—I think so; but I was not myself a party to the management of the Company at that time.

2562. Can you state what was the cost of the line from Croydon to Reigate, and again from Reigate to Dover?—The first Act only authorized the Company to raise 1,400,000*l.* by shares, and 450,000*l.* by loan.

2563. That was the estimated cost of the line?—I presume it was.

2564. Do you know how much it actually cost?—I cannot speak of my own knowledge, without reference to books. The return given to the Committee is made up from the accounts of the Company. I have no doubt it is exactly correct. There was a statement published by the Company in 1845, putting the expenditure that had been incurred into a tabular form, showing how much had been spent at that time upon each portion of the line. That we can render again, up to the present time, if the Committee wish it.

2565. Different sums of money were raised, under other Acts of

Parliament, for the purpose of completing the line to Dover?—Yes; I can give a statement of all the Acts which the Company has got, and the capital it has been authorized to raise, and what has been done under those Acts.

2566. Is the return before the Committee correct? (the same being shown to the witness)—I have no doubt that is correct.

2567. Has not your line been a very costly one?—Every one may have his own opinion about that. The work that has been performed seems to be a good return for the money spent. There has been a good deal of money spent; but the works are very good.

2568. What has been the chief cause of the cost being so great?—The twelve miles from Croydon to Reigate cost 680,000*l.* to begin with; half of that, 340,000*l.*, has been paid by the South-Eastern.

2569. What was the main cause of that great expense?—The tunnel and the cuttings. I speak merely as a passenger and an observer. I had nothing to do with it at that time.

2570. Was there any very large outlay for land?—I have not the particulars of the outlay.

2571. As far as your knowledge goes, you believe that it was the works which were the chief cause of the great expense?—I can divide it by the mileage, and give the particulars of each item per mile.

2572. Between Reigate and Dover, till you come near the coast, there were no very expensive works?—I do not see any evidence of extravagantly expensive works.

2573. There was a greater outlay near Dover?—There was a very expensive piece of work; the works were very considerable.

2574. Can you state what proportion of the whole three millions and a half was laid out within a certain distance of Dover?—Not off hand; I could obtain the information.

2575. Did not that increase the average cost per mile immensely?—Immensely; the average cost of the whole line is 48,180*l.*

2576. The 3,500,000*l.* which is set down as the outlay, is money actually paid up?—In cash.

2577. The stock insured to represent that is a larger amount considerably, is not it?—The nominal amount of the stock is larger.

2578. In making your dividends, do not you divide upon the nominal amount of stock; not upon the sum actually paid?—No; the mode in which the capital stands is represented by the paper which I hold in my hand, which recites the Acts of Parliament that have been obtained by the Company, the capital which was authorized to be raised by shares and that authorized to be raised by loan. The first Act of Parliament in 1836 authorized the raising of capital by the issue of 28,000*l.* shares at an amount of 50*l.* per share, 1,400,000*l.*, and this produced the sum of 1,155,490*l.* 13*s.* 10*d.* The actual capital raised being at the rate of 41*l.* 5*s.* 4*d.*

per share, called a 50*l.* share. The next Act of Parliament authorized the raising of 800,000*l.* by shares, and 266,600*l.* by loans. Those shares were issued, in number 28,000, to the holders of the preceding 28,000 shares, one for one, who paid up on them 25*l.* per share.

2579. (Mr. Hume.) They being 50*l.* shares?—Being shares to take rank with the preceding ones, which made an average of 33*l.* 2*s.* 8*d.* per share. The third capital was raised by 28,000 shares, 448,000 which were issued, one to the holder of each two of the preceding, at 32*l.* per share. Subsequently, in November, 1844, the Company issued 42,000 shares, one to the holder of each two of the preceding batches, at 33*l.* 6*s.* 8*d.* per share. The next issue was 31,500 shares, one to the holder of each four of the preceding shares, under the Acts of last year, at 30*l.* per share.

2580. Were all those shares allotted to the preceding shareholders, or were any of them sold to new shareholders?—They were all allotted to preceding shareholders, with the exception of some fractions, mere trifles, that were left in settlements, one's, two's, and three's, and so on; the parties were paid in money rather than in shares, to make the settlement more easy.

2581. (Chairman.) Can you state what was the market price of the shares at the time of each of those issues?—I am not able to do that off-hand; but that could be ascertained from the published lists of the Stock exchange.

2582. Do you believe that they were issued at the full market price or at something less?—I believe they were issued at something less than the market price.

2583. Could you give the Committee the particulars?—A reference to the share list would be the shortest way in which the Committee can obtain a reply. It is right that I should give the results of those different issues; if we work it out, for the facility of calculation, by taking the case of a man who held eight original shares at 50*l.*, then he will have got eight of the second issue of shares at 25*l.*, eight more at 32*l.*, twelve at 33*l.* 6*s.* 8*d.*, nine at 30*l.*, nine more at 30*l.*, being one for every four of the preceding, and 29½ more at 30*l.*, being 6½ for every two of the last nine shares; he would be the holder of 83½ shares, for which he would have paid 32*l.* 2*s.* 3*d.* each upon the average. When, therefore, 32*l.* 2*s.* 3*d.* is paid up upon all the shares, no nominal capital will be in existence. I am getting rid of the fiction of a 50*l.* share, because those shares will take rank alike and receive dividend alike, but it is impossible to get rid of the name of the 50*l.* shares till they are all paid up. I must explain, however, that the latter nine shares at 30*l.* and 29½ shares at 30*l.*, were issued in double those numbers as half shares of 15*l.*, being two 15*l.* for one 30*l.*, merely for arithmetical purposes in distribution.

2584. Do you not make the dividends upon the 50*l.* shares?—Those are paid-up shares.

2585. (Mr. Hume.) Is not the man that paid 30*l.* entitled to the same amount of dividend as the man that paid 50*l.*?—Yes, he is the same man.

2586. (Mr. S. Herbert.) He would get the same amount of dividend upon those shares for which he paid 25*l.*, as upon those for which he paid 50*l.*?—Yes, but he could not get the 25*l.* share without having the 50*l.* share.

2587. (Mr. Hume.) Supposing I had bought one of those original shares, I should be entitled to all those which you have stated?—Undoubtedly, your fair proportion.

2588. (Chairman.) Would not a person who had paid 25*l.* for a share, receive the same amount of dividend as a man that had paid 50*l.*?—There can be no man that has paid only 25*l.*, because no man can get a share at 25*l.*, unless he has a share upon which he or somebody else has paid 50*l.* The 50*l.* and the 25*l.* shares are exactly in the same position in the market, because no further call can be made upon either of those.

2589. (Mr. S. Herbert.) Although it was a 50*l.* share, and only 25*l.* paid up on it, it is considered as a paid-up share?—Yes.

2590. (Mr. Hume.) The two first issues of shares were paid up; there are no further calls upon them?—No, the next shares upon which 32*l.* have to be paid have already had 16*l.* paid up on them, and there is a call made upon them payable on the 3rd of August, of 4*l.* more.

2591. Is the proprietor of that share paid a dividend equal to 50*l.*, and is he charged interest for the amount not paid up, or how do you settle it? Having paid up only 16*l.*, how will he stand with reference to the dividend, compared with a man who has paid up 50*l.*? He having paid 16*l.* has paid only half the 32*l.* share, which, when all paid up, will put his share on a level with the preceding shares, and he will, therefore, receive a half dividend, which is the proportion which 16*l.* bears to the whole amount that can be called for, viz., 32*l.*

2592. Is there the same rule with respect to the others?—Yes, the money that remains to be called up upon the shares upon which 32*l.* is to be paid, and upon which 32*l.* 6*s.* 8*d.* is to be paid, is appropriated to pay off the loan notes and mortgages, which constitute the debt of the Company.

2593. (Chairman.) So that a portion of the capital raised has been for the purpose, not of constructing new works, but of paying the debts?—Of paying for works which have been constructed.

2594. (Mr. Hume.) As to the remaining three issues of shares of 30*l.* each, how much has been paid up?—Those shares were issued under certain resolutions at a meeting of the proprietors under the

sanction of an Act of Parliament, stating that the capital raised upon those shares should be appropriated to certain works, and this class of shares will not receive any dividend till six months after these particular works are completed.

2595. How much of the 30*l.* is paid up?—Of the first 30*l.* 15*l.* is paid.

2596. To what works are they appropriated?—Those were works which received the sanction of Parliament last session, the extension of the Greenwich Railway, the construction of the line from Tonbridge to Tonbridge Wells, and the Minster and Deal Railway, and the Ashford and Hastings.

2597. All branches?—All branches. Those have paid 15*l.* upon them.

2598. Those are to receive no dividend until six months after those works are finished?—Till after those specific works are finished.

2599. In what state are they now, and when will they be finished?—The extension of the Greenwich Railway is an important and complicated work; the plans, and sections, and so on, for which, require to be prepared in a very elaborate manner. Those plans, I believe, are now completed by Mr. Peter William Barlow, with Mr. Robert Stephenson's advice, and the work is now about to commence; all the preliminary arrangements are made. The Tonbridge Wells branch is open for traffic. The Minster and Deal is in a very forward state, and will be open for traffic in two or three months. The Minster and Deal is an extension of the Canterbury, Ramsgate, and Margate branch. The Ashford and Hastings branch is just commenced; 16 miles of it has been set out, and commenced.

2600. Then there are two other issues of 30*l.* shares?—Yes; the two other issues of 30*l.* shares, and which were made at one and the same time, represent the capital applicable to the works for which we have applied to Parliament in this session, the Acts relating to which are now in the House of Lords, except those which have received the Royal assent. The extension of the Tonbridge Wells branch, of which I have spoken, from Tonbridge Wells to Hastings, has received the Royal assent. There is also an Act enabling us to erect stations and enlarge our works at Ashford; an Act for connecting the Ashford and Hastings Railway with Rye harbour, at the town of Rye, with other works there; a Bill for the South-Eastern North Kent Railway; a Bill for enabling us to purchase the Gravesend and Rochester Railway; and a Bill for the Mid-Kent Railway, which is a direct line from London to Tonbridge, saving nine miles in the distance to Tonbridge, proceeding to Maidstone and Ashford, and saving thirteen miles between London and Dover, by passing through the centre of Kent to Ashford, which ought to have been the first main line of the South-Eastern Railway. These three Bills are now before the Lords.

2601. Of those last two issues of 30*l.* shares, how much has been paid up?—I must go into a little explanation to make the thing clear; those last two issues of 30*l.* shares, were issued as half-shares, 15*l.* to pay upon each for arithmetical purposes. From the extreme complexity of the figures, in doing the thing right, they were issued in half-shares, to get a numeral that would enable us to multiply them through the great number of shares easily; upon each of those half-shares, 2*l.* 10*s.* deposit was paid by the proprietors, to whom they were issued, or 5*l.* upon the 30*l.*

2602. What is the total number of shares issued by the Company altogether, for all those branches?—Exclusive of the shares for the present session of Parliament, 157,500 shares were issued.

2603. How much capital has been realized upon these shares?—The amount actually realized upon those shares is now 3,195,900*l.*

2604. How much more remains to be realized?—The amount to be paid up is 1,900,500*l.*

2605. You have 157,500 50*l.* shares, and they represent a capital of 7,875,000*l.* at 50*l.* each?—No; I never represented that, it is a mere arithmetical fiction. The original shares have been issued to the holders of the shares, and the holders are to receive equal dividends when the shares are all paid up. Whilst the share is in progress of being paid up, the holder is to receive upon the amount paid up a pro rata proportion of dividend, that is, in the proportion that the account paid up bears to the whole amount to be called upon the share. It is necessary that the share should continue to be called 50*l.* shares till all are paid up; but it is an arithmetical fiction, because we have not power to raise 50*l.* upon them.

2606. But a person holding eight shares at 32*l.* each, and who has paid up 16*l.* upon each of them, is entitled to receive as much interest as the person who received the first eight shares, and paid up 25*l.* upon them, he is entitled to receive half as much as the man that paid up his 50*l.*?—He is entitled to receive half the dividend declared upon the two preceding batches.

2607. The dividend upon eight shares of the third issue is equal to the dividend upon eight shares of the first issue?—Yes, but no man could get the third issue unless he had the preceding ones.

2608. Then the 16*l.* so paid by the holder of shares of the two preceding issues, gives him as much dividend as the 25*l.* which he had paid originally?—Yes; but they are all connected together; they are all in a string.

2609. Each of the shares issued is of equal value?—They will become so when paid up, but the man that got the shares at 30*l.* got them with a disability attached to them: certain works must be completed before he can have any dividend.

2610. And for a certain time he is to lose his interest?—Yes.

2611. The loss of interest till a dividend is received is to be added to the 30*l.*; but adding the loss of interest it would be equal to the 50*l.* share?—But it is to be recollected, that each issue of shares affects the value of the old shares. It is like taking wine out of a butt, and bottling a bottle of wine; you say, “I am possessed of a bottle of wine;” but you have taken it out of the butt. If you give an advantage to a man who takes a 25*l.* share, it is taken from his 50*l.* share.

2612. (Mr. Hudson.) It comes to this, that you have raised a large sum of money at a great discount?—At a nominal discount.

2613. You cannot make the shares all alike till the whole amount is paid up?—We cannot get rid of the fiction till they are all paid up.

2614. (Mr. Hume.) Can you now state the average discount at which the money has been raised?—The average price at which all this stock will have been raised is 32*l.* 2*s.* 3*d.* a share, which will be the share of the Company when all is paid up on each class of shares, and upon which the dividend will be paid.

2615. But the individuals having this money will not get it at that, because they will have to add the interest they will lose till the dividend is paid?—It is clear that the original holder, who began in 1836, and never received a dividend till 1844, if he keep an interest-book, will find that his shares cost him a good deal more than 32*l.*

2616. (Chairman.) Do the Company advance any portion of the funds they have borrowed in anticipation of calls for the relief of the shareholders?—The contrary has been the case in this Company. The Company was largely in debt, to the amount of about a million and a half, and shares were then created to pay off that debt; and that debt is in progress of being paid off by calls that are made upon those particular shares. Several hundreds of thousands of pounds have been already paid off in this way; for instance, 127,000*l.* on Saturday last. We spent the money before we had the shares. I do not know whether I have made it clear; but I wish it to be understood, that when all those shares are paid up the Company will be out of debt.

2617. The intention of the Company is at present to convert all their debt into shares?—They have done that, all but 100,000*l.* of their debt, or some such sum, for which we have yet made no provision.

2618. What branches have you completed and opened now?—The Railway opened to Tonbridge on the 25th May 1842; that is 41 miles from town. It opened to Headcorn on the 31st August 1842, 15 miles. It opened to Ashford on the 1st of December 1842, 11 miles further. It opened to Folkestone on the 28th of June 1843, 15 miles further. It opened to Dover on the 7th of February 1844,

6 miles further; that is all the main line. Then it opened the first branch to Maidstone on the 25th of September 1844, 10 miles in length. It opened the second branch to Tonbridge Wells on the 20th of September 1845, 5 miles in length. It opened the branch from Ashford to Canterbury on the 6th of February 1846, 15 miles in length. That brought the Canterbury and Whitstable Railway, which we have leased, into connection with the main line; it is 6 miles long. The South-Eastern Company have got a perpetual lease of it. We opened the Ramsgate branch on the 14th of April 1846, a prolongation of 15 miles of the Canterbury branch. The Bricklayers' Arms branch, which is a mile and a quarter in length, may be considered part of the main line; it was opened on the 1st May 1844. Then we became possessed of the Greenwich Railway by a perpetual lease of 1,000 years, which we consider a branch also.

2619. Do you pay a dividend for that?—We pay a rental.

2620. (Mr. Hudson.) What per cent. do you pay?—The rental now is about $3\frac{1}{2}$ on the cost; but it will grow up to a better per centage.

2621. (Mr. Hume.) Is the perpetual rent which you pay for the Greenwich line a prior claim before the payment of any dividends to your proprietors?—Yes; it is, in effect. For several years it goes on increasing, and then it becomes a fixed rent. I may mention that that has been a profitable arrangement to the South-Eastern Company. The traffic upon that line during the last twelve months has been 25 per cent. greater than in any preceding year. The number of passengers increased from 2,000,000 in 1844 to 2,500,000 in 1845.

2622. Do your fares continue the same?—There has been a little modification, but not much.

2623. (Chairman.) To what do you attribute that increase?—I attribute it first to the longer period the Railway has been established, and to its being very regularly worked. The trains run every quarter of an hour, each way, all day long.

2624. To the natural tendency of the traffic upon that line to increase?—Exactly; and its being its own advertisement.

2625. Have these branches been, in construction, very expensive?—The branches are not all complete; there is not one of them in which the whole expense is incurred, that will be required to complete it.

2626. Do you know what proportion the expense of the branches will bear to the cost of the main line?—No: they will not be cheap branches. The Tonbridge Wells Branch is on a gradient of one in 100, all the way up for the five miles; and it is open now to a place within a mile of the centre of Tonbridge Wells; and to get a good station in the town, we are making a tunnel of nearly a mile, spending 50,000*l.* to do it; so that it is difficult to state what the

cost will be till the whole is completed. This Tonbridge Wells branch will exceed in expense the average of the main line. It is a most difficult work. The Minster and Deal branch is on a dead level all the way. The only great expense upon it will be an iron swing bridge across the river Stour. Then we have a beautiful line from Ashford to Canterbury: there are some parts of it very cheap,—some very dear. We had to alter the course of the river Stour; we had to cross it about a dozen times. The Maidstone branch is not very costly.

2627. Has the traffic upon the branches answered the expectations, and the previous estimates?—The traffic, as far as regards the number of passengers that go over them, has been highly satisfactory; but the receipts, at our low fares, have been small.

2628. (Mr. Hume.) Do you keep an account of the proceeds from goods and fares of each of those branches, separately from the main line, and shall you be able to show how far they are profitable or losing?—It would be impossible to do that. Our Railway is very peculiar in its construction. To reach Maidstone we go twenty miles round, over three sides of a parallelogram. To reach Canterbury, three sides of a second parallelogram. It is twenty miles further than the common road. Our fares are pitched upon the principle of reducing them as nearly as we can in proportion to a straight line fare.

2629. (Chairman.) Upon what principle have you been governed in regulating your charge according to the distances upon those lines? We have approximated as nearly as we could to the principle of charging the geographical distance; but I look upon the whole system of our management at present *as an experiment: it is a great experiment.*

2630. Will you state what harbours you have purchased or invested capital in?—We purchased, under the sanction of Parliament, Folkestone harbour.

2631. (Mr. Hume.) In holding that harbour, are you concerned in the steamers that go from there to France?—As an individual, I am concerned in them. The South-Eastern Railway Company has no interest in them whatever; but there is a good deal of identity in the shareholders, and the direction is the same.

2632. (Mr. S. Herbert.) Of whom did you buy the harbour?—Of the Government; the Exchequer Bill commissioners.

2633. (Chairman.) What was the cost of it?—I forget the exact figures.

2634. In what way is the Company remunerated for their outlay upon the harbour?—There is a tonnage-rate charged upon vessels coming there, and so on.

2635. Has it been to the Company a losing concern?—As regards the return upon that specific expenditure, doubtless it has been, but

t is a great port now for communication with the continent; 40,000 people passed at Folkestone, to and from Boulogne, within twelve months.

2636. What other harbours have you?—We are lessees of the Canterbury and Whitstable line, to which is attached the harbour of Whitstable.

2637. Who had the right of letting to you the harbour of Whitstable?—The harbour of Whitstable was the property of the Canterbury and Whitstable Company.

2638. Did the Act vest any right over the port in the Canterbury and Whitstable Company?—I have no doubt it did; my remembrance is this, that some individuals had commenced making a harbour at Whitstable, and had failed to complete it, and that the Canterbury and Whitstable Railway Company took it up, and made it better than it was, and we have made it still better.

2639. Have you anything to do with Rye harbour?—We have had the pleasure of paying 10,000*l.* to the Lords Commissioners of the Admiralty, to enable them to improve it. We have not touched it with our Railway yet.

2640. Is it expected that Rye harbour will be of any considerable advantage to the company?—It will be of some advantage; through it passengers and commerce will reach the Railway, and there may be some traffic from Rye to the continent.

2641. (Mr. S. Herbert.) To what port?—St. Valerie-sur-Somme.

2642. (Chairman.) Have you amalgamated with any lines before this year?—I think not.

2643. Have you leased any other lines?—We have leased the Greenwich Railway, and the Canterbury and Whitstable, no other.

2644. Have you subscribed to other lines as a company?—Not to my knowledge; I believe not. We have an engagement with regard to a Railway which has received the sanction of Parliament this session, which we have engaged to support. We have engaged to lease the Railway to be constructed from Reading to Reigate, at $4\frac{1}{2}$ per cent. per annum, after it is completed.

2645. Have that company got their Act?—I think they are only waiting for the Royal Assent.

2646. Supposing them to obtain their Act, you are under an engagement to lease it, guaranteeing them $4\frac{1}{2}$ per cent.?—Yes; giving them half the profit beyond the $4\frac{1}{2}$ per cent. in addition.

2647. You have done that for the purpose of getting the traffic from Cheltenham and Gloucester, and all that district towards Dover, without its going through London?—Yes.

2648. You have made, from time to time, different reductions in your fares and charges; will you state the periods, and what the reductions were?—There has only been one reduction made since I

had anything to do with the management of the Company, which was made in September 1845; and great additional facilities were given at that period; day tickets were given to passengers from and to all stations, for a fare and a half, and the trains were accelerated, and third-class carriages were attached to a great additional number of them.

2649. (Mr. Hume.) How often do third-class trains run now?—Five times a day from each end.

2650. Do you allow the day tickets to extend over the 24 hours?—The day tickets issued on Saturday we have allowed to be returned on Saturday, Sunday, and Monday; and those issued on Sunday are returnable on that day, or on Monday.

2651. (Chairman.) Will you state the amount of the reduction you made?—The reduction that we made in September 1845, upon first-class passengers was 10 per cent.; on the second-class we took off 24 per cent.; on the third-class we took off 19 per cent.

2652. That is upon the line and the branches?—Yes; that is to say, the actual charge per passenger per mile was varied by our reduction to the extent I have mentioned.

2653. Did you, at the same time, improve the accommodation to the public by giving them better carriages?—No; the carriages were good from the first; we went on improving; we put on closed third-class carriages.

2654. What has been the general result of those alterations upon the traffic, and upon the receipts?—The return per mile has not increased: the number of passengers has increased greatly.

2655. (Mr. Hume.) Are the Committee to understand that the increase of passengers has made up for the increase of expense?—It is not possible to give an accurate statement upon that subject. As you extend a Railway, under the same management, the permanent expenses do not increase in proportion to the increased mileage; nor do I think that other expenses increase in exactly the same ratio.

2656. (Chairman.) You state that the receipts per mile have not increased, but that the traffic has increased: can you state what the increase in the traffic has been?—Taking the six months ending on the 30th of June last, and six months last year, I get the following results:—in the six months ending June 1845, 62,092 first-class passengers travelled; this year, 92,315; making an increase of 30,000 first-class passengers. Of second-class there were 130,251 last year, and 206,965 this year. Of third-class there were 103,744 last year, and 318,056 this year. The total was 296,087 in the six months ending June 1845, and 617,336 in the first six months of this year. But I should state that there can be no analogy between the two periods, as the extension of the Railway has been progressive during that period.

2657. You state that you carry third-class passengers in five trains a day, up and down; are those all your trains but your express trains?—No: there are ten trains each way, daily. One-half of the trains carry third-class passengers.

2658. Do they also carry first and second class?—All of them, except two first class trains.

2659. Have you found that your first-class passengers have complained of the offensive manners of the third-class passengers, and objected to travel in the same train?—They are totally separate; they are in different carriages.

2660. You have not found any complaint on the part of the first-class passengers being attached to the same train?—Never, with regard to their behaviour, certainly. I never heard anybody complain of the behaviour of the third-class passengers.

2660. You have not, out of London, much of what is called short traffic?—As far as we are concerned, we go out of London in a sort of desert; we can earn nothing between London and Croydon; whatever is earned over those ten miles is the property of the Croydon company, and, therefore, to us it is a desert; then for the next twelve miles, we compete with the Brighton Company for the traffic; six miles belong to them, and six to us; each travel over six miles of the other's without paying toll; from London to Reigate our earnings are very small indeed.

